

From: "Schoenbucher Karen" <kschoenbucher@southwestbank.com> on 07/12/2004 04:36:07 PM

Subject: Regulation DD - Overdraft/Bounce Protection Services

My main concern about the proposed changes deals with our ability to provide the customer with a periodic statement that would not only provide the aggregate overdraft & returned check fees, but more particularly, the running balance on the account to show when the presentation of any item that caused an overdraft occurred, and all of the other requirements that are being proposed relative to prompt notifications, distinguishing actual balances versus the overdraft protection funds available, etc. These are major programming changes that will require our software vendors to spend a lot of time in reformatting the periodic statements we provide to our customers.

Customers have adopted a positive attitude to the assistance this type of service provides them, and they seem to appreciate the fact that the service actually saves them not only money (i. e., not paying twice the fees for returned checks), but also the embarrassment of having to replace a bounced check. Front-end disclosures may need to be more precise, however, most customers who do take advantage of this service know what the costs will be to them. I doubt that seeing the fees & costs on a year-to-date basis will dissuade them from using the service on an emergency basis.

Banks that offer the service directly from their main service vendor are providing a courtesy service that should be paid for by the customer.

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